



TO: Boards of Assessors and Appraisal Contractors
FROM: Marilyn H. Browne, Chief, Bureau of Local Assessment
DATE: September 8, 2004
TOPIC: **INTERIM YEAR ADJUSTMENT CLARIFICATION**

Beginning in FY2005, all assessors in cities or towns that are not scheduled for certification review are required to annually submit an "Interim Year Adjustment Report," (LA-15). This form reports the results of sales analyses and review of commercial and industrial market indicators to the Bureau of Local Assessment. The community's assessments must be equitable and consistent with accepted mass appraisal measures of assessment level and uniformity as outlined in the "*Guidelines for Development of a Minimum Reassessment Program*, as revised in January 2004."

This memo is meant to clarify questions that have arisen regarding the year of sales to be analyzed and the sample size needed. For FY2005 valuation purposes the base sales year is calendar year 2003. If an individual class does not have an arms length sample of at least 2% or 10 sales (whichever is greater), then the sales should be supplemented with up to 12 consecutive months of sales (either back to calendar year 2002 or forward into calendar year 2004). P-coded land sales can be used to supplement the sales sample for residential land.

The "prior median ASR" on the LA-15 refers to the resulting median using the base year 2003 sales (plus any other required additional sales) compared to the FY2004 assessments. The "current median ASR" refers to the resulting median using the base year of 2003 sales (plus any other required additional sales) compared to the FY2005 assessments. The number of arms length sales used for each year analyzed may differ slightly because some properties have had a change in use class code from the previous year, but the total number of sales in the both ASR studies will be the same. The number of arms length sales recorded on the LA-15 should reflect those used in the current ASR study.

The "Interim Year Adjustment Report" can be submitted any time prior to or with the Form LA-4 "Assessment/Classification Report". Please remember to retain any supporting documentation such as sales reports and analyses, income, expense and capitalization rate analyses, and any other data that supports the type and extent of the valuation changes that were made because they are subject to audit by the Bureau of Local Assessment.